

ABSTRACT

The Effect of Tourism Development to Economic Performance and Change of Economic Structure and Community Welfare in Bali Province

Tourism sector in Bali after the Second Five Year Development, that is, during the period of 1974/1979 is confirmed as leading sector by the Local Government to make optimal use of the tourism potential possessed by Bali Province in the form of cultural uniqueness and natural beauty. Besides that it is also to accommodate tourist's visit both domestic and foreign that always increase each year.

This study generally aims to know the effect of tourism development to economic performance, the change of economic structure, and community welfare in Bali. The main analysis method employed in this study was path analysis completed with Social Accounting Matrix (SAM) to be able to know the change of tourists' visit to the economic performance of Bali Province. The data used were obtained from secondary source from concerning tourism development, economic performance, change of economic structure, and the community welfare for the period of 30 years, 1975--2004.

Based on the results of the analysis, this study concluded, tourism development has direct effect to the economic performance, having direct and indirect to the change of economic structure but to the economic welfare it only has indirect influence. Tourism development gives indirect effect to community welfare through economic performance and the change of economic structure.

With the decrease in the growth of tourist's visit to Bali as a result of bomb tragedy in Kuta, in general, it is suggested to undertake the effort of Indonesia tourism image recovery and especially in Bali in short term by increasing the safety and to undertake tourism promotion in order to make the tourism industry in Bali develop continuously. As well as the tourism growth is more concentrated in the Southern part of Bali (Denpasar, Badung, Gianyar and Tabanan), it can create income gap among the city/regency in Bali province. In long and mid term, it is suggested to the government to change the sector development strategy in Bali Province to more equitable direction that is by implemented the concept of sustainable community-based tourism development.

Key word: tourism development, economic performance, economic development, change of economic structure and community welfare.